

ORIGINAL



0000133492

Jay Moyes (No. 7207)
Steve Wene (No. 19630)
MOYES SELLERS & HENDRICKS Ltd.
1850 N. Central Avenue, Suite 1100
Phoenix, Arizona 85012-2913
602-604-2141
jimoyes@law-msh.com

RECEIVED

2012 JAN 18 P 1:05

AZ CORP COMMISSION
DOCKET CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, CHAIRMAN
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP
BRENDA BURNS

Arizona Corporation Commission
DOCKETED

JAN 18 2012



**IN THE MATTER OF THE
APPLICATION OF ARIZONA PUBLIC
SERVICE COMPANY FOR A
HEARING TO DETERMINE THE FAIR
VALUE OF THE UTILITY PROPERTY
OF THE COMPANY FOR
RATEMAKING PURPOSES, TO FIX A
JUST AND REASONABLE RATE OF
RETURN THEREON, TO APPROVE
RATE SCHEDULES DESIGNED TO
DEVELOP SUCH RETURN**

Docket No. E-01345A-11-0224

**NOTICE OF FILING
AZAG GROUP'S
STATEMENT IN SUPPORT OF
PROPOSED SETTLEMENT
AGREEMENT**

Pursuant to Procedural Order dated December 23, 2011, AzAg Group¹ submits the following as its Statement in Support of the Proposed Settlement Agreement that was filed in this docket on January 6, 2012, ("Settlement Agreement"):

¹ The "AzAg Group" is an informal association the members of which are Aguila Irrigation District, Buckeye Water Conservation and Drainage District, Harquahala Valley Power District, Electrical District Number Seven of Maricopa County, Electrical District Number Eight of Maricopa County, McMullen Valley Water Conservation and Drainage District, Roosevelt Irrigation District, and Tonopah Irrigation District.

1 The AzAg Group comprises Irrigation, Electrical and Power Districts (the "Districts")
2 that purchase solely wholesale power from Arizona Public Service Company ("APS") under a
3 common Power Supply and Services Agreement ("PSSA") governed and approved by the
4 Federal Energy Regulatory Commission. APS charges the Districts for that wholesale power
5 pursuant to a pricing formula in the PSSA that incorporates as an index APS' large industrial
6 retail customer rate E-34. Consequently, changes in the APS E-34 retail rate directly impact the
7 Districts' costs for wholesale purchases from APS. Therefore, the Districts have considered it
8 necessary and appropriate to intervene in APS retail rate cases for the purpose of monitoring and
9 protecting their collective interests in issues affecting the E-34 rate. In this relatively limited
10 capacity, the Districts have not sponsored direct testimony in this docket; however, they have
11 monitored and participated in the settlement discussions conducted by ACC Staff.

12 Because of the Districts' relatively narrow interest in APS' retail rate cases, in the course
13 of the recent settlement negotiations APS representatives approached AzAg Group's counsel
14 with a conceptual proposal to eliminate the need and expense for the Districts to intervene in
15 APS retail rate cases. APS proposed the development with the Districts of a different pricing
16 index for their PSSA wholesale purchases not linked to the E-34 or other APS retail rates. The
17 Districts responded favorably to that proposal and also raised additional issues not affected by
18 this retail rate case with respect to their PSSA and overall wholesale business relationship, about
19 which the Districts wish to pursue further discussions and possible modifications with APS
20 outside of this rate case.

21 Having carefully considered the specific effects of the Settlement Agreement provisions
22 on the E-34 rate, and in demonstration of the Districts' good faith in advancing a continuing
23 quality of wholesale business relationship with APS, AzAg Group signed the Settlement
24 Agreement on January 6, 2012, along with ACC Staff and most of the other intervenor parties.
25 Representatives of the Districts and APS have since held an initial meeting discussing their
26 mutual issues and have initiated a process, outside this rate case, aimed at possibly de-linking the
27 Districts' APS wholesale purchase charges from APS retail rates and future retail rate cases.

28 Accordingly, AzAg Group hereby registers support for the Settlement Agreement.

1
2 Respectfully submitted this 18th day of January, 2012.
3

4 **MOYES SELLERS & HENDRICKS LTD.**

5
6 

7 Jay I. Moyes
8 Steve Wene
9 1850 North Central Avenue, Ste. 1100
10 Phoenix, AZ 80004
11 (602) 604-2189

12 **Original** and 13 copies filed this
13 18th day of January, 2012, with:

14 Docket Control
15 Arizona Corporation Commission
16 1200 West Washington
17 Phoenix, Arizona 85007

18 Copies of the foregoing mailed/e-mailed this
19 18th day of January, 2012 to:

20 Steve Olea, Director
21 Utilities Division
22 Arizona Corporation Commission
23 1200 W. Washington
24 Phoenix, AZ 85007

25 Janice Alward, Chief Counsel
26 Legal Division
27 Arizona Corporation Commission
28 1200 W. Washington
Phoenix, AZ 85007

Lyn Farmer
Hearing Division
Arizona Corporation Commission
1200 W. Washington
Phoenix, AZ 85007

1 C. Webb Crockett
2 Fennemore Craig
3 3003 N Central Ave. #2600
Phoenix, AZ 85012

4 Kurt Boehm
5 Boehm, Kurtz & Lowrey
6 36 E Seventh St. #2110
Cincinnati, OH 46202

7 Daniel Pozefsky
8 RUCO
9 1110 W. Washington #220
Phoenix, AZ 85007

10 Michael Grant
11 Gallagher & Kennedy
12 2575 E Camelback Rd.
Phoenix, AZ 85016

13 Gary Yaquinto
14 Arizona Investment Council
15 2100 N Central Ave. #210
Phoenix, AZ 85004

16 Michael Curtis
17 Curtis, Goodwin, Sullivan, Udall & Schwab
18 501 E. Thomas Rd.
Phoenix, AZ 85012

19 David Berry
20 Western Resource Advocates
21 P O Box 1064
Scottsdale, AZ 85252

22 Jeff Woner
23 KR Saline & Associates
24 160 N Pasadena #101
Mesa, AZ 85201

25 Nicholas Enoch
26 Lubin & Enoch
27 349 N 4th Ave.
Phoenix, AZ 85003

1 John Moore, Jr.
2 7321 N 16th St.
3 Phoenix, AZ 85020

4 Lt. Col. Karen S. White
5 Chief, Air Force Utility Litigation Team
6 AFLSA/JACL-UTL
7 139 Barnes Drive, Suite 1
8 Tyndall AFB, FL 32403-5319

9 Jeffrey W. Crockett
10 Brownstein Hyatt Farber Schreck
11 1 E. Washington, #2400
12 Phoenix, AZ 85004

13 Michael Patten
14 Roshka Dewulf & Patten
15 One Arizona Center
16 400 E. Van Buren #800
17 Phoenix, AZ 85004

18 Bradley Carroll
19 Tucson Electric Power
20 One S. Church Ave, #UE 201
21 Tucson, AZ 85701

22 Tim Hogan
23 AZ Center for Law in the Public Interest
24 202 E. McDowell Rd. #153
25 Phoenix, AZ 85004

26 Barbara Wyllie-Pecora
27 14410 W. Gunsight Dr.
28 Sun City West, AZ 85375

Meghan Grabel
Pinnacle West Capital Corporation
P O Box 53999 Station 8695
Phoenix, AZ 85072-3999

Cynthia Zwick
1940 E. Luke Ave.
Phoenix, AZ 85016

1 Greg Patterson
2 Munger Chadwick
3 2398 E. Camelback Rd. #240
4 Phoenix, AZ 85015
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
